

FINANCIAL STATEMENT

SAMPLE FORMAT

Note: Financial must be within the last 3 months

ASSETS

CURRENT ASSETS:¹

Cash and cash equivalents

Cash and cash equivalents held for clients (Trust)²

Accounts Receivable (Commissions due from direct pay)³

Accounts Receivable - Other

Other current assets

Total Current Assets

PROPERTY AND EQUIPMENT

Furniture and fixtures

Computer/data processing equipment

Leasehold improvements

Software

Building/building improvements

Less accumulated depreciation

Property & equipment - net

GOODWILL AND OTHER INTANGIBLE ASSETS - Less accumulated amortization

DEFERRED INCOME TAXES

TOTAL

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts payable - trade

Collections due clients⁴

Accrued compensation

Other current liabilities

Accrued Expenses

Other

Total current liabilities

STOCKHOLDER'S EQUITY

TOTAL

¹ RCW 19.16.245 states collection agencies must have \$7,500.00 of cash or cash equivalent.

² Accounts holding client/customer funds must be in a trust bank account and the reconciled balance must be equal to or greater than the amount owed to clients (client liability).

³ Do not include client receivables.

⁴ Amounts owed to clients from collection activities. This amount should be equal to or less than cash held for clients.

Criteria for financial statement format and approval:

1. Must show client liability. Amounts owed to customers from collection activities as a separate line item. Source document would normally be called a client remittance report.
2. Must show reconciled trust account balance. See notes on sample.
3. Financial statement must be signed and attested to as accurate and represent the actual condition of the firm by the applicant, owner or CPA.
4. Financial statement must be current - **within the last 3 months.**
5. Firm must be solvent. Assets exceed liabilities.
6. Firm must show at least \$7,500.00 in cash or equivalent of which **\$5,000.00 is cash.**
7. Financial statement must be in whole to include all notes or exceptions.
8. Firm cannot include receivables not actually owned by the firm as an asset (No receivable from clients or customers. Thus receivable needs to be broken down to show receivable like commission due from direct pay.)